

PUBLIC DISCLOSURE

OCTOBER 18, 2000

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

GREENFIELD SAVINGS BANK

400 MAIN STREET
GREENFIELD, MA 01301

DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **GREENFIELD SAVINGS BANK** prepared by the Massachusetts Division of Banks, the institution's supervisory agency, as of **OCTOBER 18, 2000**. The Division evaluates performance in the assessment area(s), as they are defined by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00.

INSTITUTION'S CRA RATING: Greenfield Savings Bank is rated High Satisfactory

This rating is based upon the bank's strong performance under the Lending Test, including Lending Activity, Geographic Distribution and Community Development Lending as well as its reasonable performance under the categories of Borrower Characteristics, Innovative or Flexible Lending, Fair Lending Practices, and Loss of Affordable Housing. The rating is also based upon the bank's better than average performance under the Investment Test and Service Test.

LENDING, INVESTMENT, AND SERVICE TEST TABLE

PERFORMANCE TESTS Greenfield Savings Bank			
Performance Levels	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Satisfactory			
Needs to Improve			
Substantial Non-Compliance			

*Note: The Lending Test is weighed more heavily than the Service and Investment Tests when arriving at an overall rating.

PERFORMANCE CONTEXT

Description of Institution

Greenfield Savings Bank is a community based financial institution incorporated as a Massachusetts savings bank in 1869. The bank's main office is located in downtown Greenfield. Greenfield Savings Bank operates three full-service branch offices located in South Deerfield, Turners Falls, and Shelburne Falls. All branch offices offer 24-Hour ATM service with network access. Greenfield Savings Bank is a member of the SUM network of financial institutions. The SUM network consists of financial institutions that agree not to levy ATM surcharges against customers of SUM member institutions.

As of September 30, 2000, Greenfield Savings Bank had total assets of \$334.6 million with total loans representing \$205.0 million or 61.3 percent of total assets. The ratio of net loans of \$203.3 million to total deposits of \$285.6 million was 71.2 percent. Loan growth for the 24-month period ending September 30, 2000 was 25.8 percent, while deposit growth was 17.9 percent. Likewise, the bank experienced total asset growth of 23.0 percent for the period.

The following table depicts the bank's loan portfolio composition based on the September 2000 FDIC Call Report.

Loan Portfolio September 30, 2000	
Type of Loans	% of Gross Loans
Construction & Land Development	0.0%
Residential Real Estate	
a. 1-4 Family Mortgages	70.6%
b. Home Equity Lines	8.0%
Multifamily	4.2%
Commercial Loans	
a. Commercial Real Estate	9.8%
b. Commercial & Industrial Loans	6.6%
c. Agricultural Loans	0.1%
Consumer Loans	
a. Loans to Individuals	0.5%
Other Loans	
a. All other Loans	0.2%
Total	100.0%

Source: FDIC Call Report, 9/30/00

First mortgage loans secured by 1-4 family dwellings represent the majority (70.6 percent) of the bank's loan portfolio. The second largest segment (16.4 percent) of the loan portfolio includes commercial real estate and commercial & industrial loans. Home equity lines, multifamily (5 units or more) loans, and personal loans comprise the remaining portion (13.0 percent) of the loan portfolio.

Greenfield Savings Bank is primarily a mortgage lender with diversification in commercial loan and consumer lending areas. The bank is an approved Federal Home Loan Mortgage Corporation (FHLMC) seller/servicer and underwrites all of its first mortgage loans to secondary market requirements. The bank is also a certified Small Business Administration (SBA) lender. The bank's ability to meet community credit needs remains strong based on its resources, size, and product offerings.

Greenfield Savings Bank utilizes Warren Information Services' (formerly Banker and Tradesman) data for its market share guidelines. CRA evaluations utilize Home Mortgage Disclosure Act (HMDA) reporting lender data for both market share and comparative residential loan analysis. Greenfield Savings Bank is not a HMDA reporter since the bank does not have an office located within a Metropolitan Statistical Area (MSA). However, the majority of other mortgage lenders (in general) are required under the Home Mortgage Disclosure Act (HMDA) to report their mortgage lending activities.

The following table compares the Warren Information Services' market share rankings with the HMDA reporting lender rankings.

1999 Market Share Comparison							
Warren Information Services*				HMDA Reporting Lenders**			
Rank	Institution	# of Loans	%Market Share	Rank	Institution	# of Loans	%Market Share
1	Greenfield Savings Bank	433	15.7	1	Greenfield Savings Bank	255	14.8
2	Greenfield Co-Operative Bank	263	9.5	2	Bank of W. Massachusetts #	163	9.5
3	Bank of W. Massachusetts #	192	7.0	3	Florence Savings Bank	114	6.6
4	Fleet Mortgage	142	5.2	4	BancNorth Mtg.	109	6.3
5	Family Bank	130	4.7	5	Fleet Bank	97	5.6
	Subtotal Top 5 Lenders	1160	42.1		Subtotal Top 5 Lenders	738	42.8
	Total All Lenders	2,754	100.0		Total All Lenders	1,724	100.0

- Includes all mortgage filings above \$25m including equity loans. ** **Adjusted to include Greenfield Savings Bank**, data on Greenfield Co-operative Bank is not available. # Formerly known as United Bank in Greenfield.

Loans reported under HMDA include purchase mortgages, refinances of purchase mortgages, home improvement loans, and loans on multifamily dwellings. It should be noted that Warren Information Services' data includes all mortgage loan filings above

\$25,000 recorded at the Franklin County Registry of Deeds. Therefore, that data would include a larger number of loans.

Greenfield Savings Bank held a 15.7 percent /14.8 percent market share in 1999 based on the respective market share analysis. This was the top market share position. The second ranked Greenfield Co-Operative Bank held a 9.5 percent market share based on Warren Information Service's data. It should be noted that Greenfield Co-Operative Bank is also not a HMDA reporting lender. Based on the 1999 Warren Information Services' data, 295 lenders originated 2,754 mortgage loans totaling \$236.6 million within Franklin County. Based on HMDA data (adjusted to include Greenfield Savings Bank), 160 lenders originated 1,724 HMDA reportable loans totaling \$152.5 million within the bank's defined assessment area.

The Federal Deposit Insurance Corporation (FDIC) conducted the most recent Community Reinvestment Act (CRA) evaluation as of June 28, 1999 based on the regulation's small institution (total assets of \$250 million or less) lending criteria. That examination resulted in a "Satisfactory" rating. The Division of Banks conducted its last CRA evaluation as of July 14, 1997 also based on the small bank test. That evaluation resulted in an "Outstanding" rating.

A financial institution falls under the regulation's large institution guidelines after reaching total assets of \$250 million or more for two consecutive years. This current evaluation is Greenfield Savings Bank's first under the large bank lending, investment, and services tests.

Description of Assessment Area

The Community Reinvestment Act (CRA) requires financial institutions to define an assessment area within which the bank will focus its lending efforts. The Division of Banks evaluates an institution's CRA performance based on this defined assessment area. Greenfield Savings Bank has defined its assessment area as all of the towns within Franklin County with the exception of the Town of Orange. All of the towns within the assessment area are non-Metropolitan Statistical Area (MSA) municipalities, except for the Town of Sunderland, which falls within the Springfield MSA. The statewide non-MSA HUD estimated Median Family Income (MFI) was \$46,400 and \$48,000 for 1999 and 2000, respectively. The Springfield MSA MFI was \$46,400 and \$47,500 for 1999 and 2000, respectively.

Based on 1990 U.S. Census data, the bank's assessment area had a total population of 62,780. The largest population center was the Town of Greenfield with 18,666 residents, followed by the Town of Montague with 8,316 residents and the Town of Deerfield with 5,018 residents. These three municipalities comprised 51.0 percent of the assessment area's total population.

There are twenty-five towns contained within the fourteen census tracts in the bank's assessment area. The county's rural nature is evident in the number of small towns

compared to the number of census tracts located within the assessment area. The Town of Greenfield contains the only two moderate-income tracts, two middle-income tracts, and one upper-income tract. The towns of Montague, Northfield, and Deerfield each have a middle-income census tract. Sunderland and Whately together share a middle-income tract. Sixteen small towns contain the remaining four middle income geographies. These towns include; Ashfield, Bernardston, Buckland, Charlemont, Colrain, Conway, Erving, Gill, Hawley, Heath, Leyden, Monroe, Rowe, Shelburne, Warwick, and Wendell. Lastly, Leverett, Shutesbury, and New Salem share an upper-income census tract.

The CRA regulation categorizes census tracts as low, moderate, middle or upper-income based on the percentage of the median Family Household Income (FHI) within each census tract.

The following table reflects the census tracts within the bank's assessment area by median income levels. Population and family households residing within each tract category are also detailed. The tracts' income levels are based on the 1990 median FHI of \$37,800.

ASSESSMENT AREA DEMOGRAPHICS								
Census Tracts Income Levels	Number of Census Tracts		Population		Family Households		Low & Moderate Income Families	
	#	%	#	%	#	%	#	%
MODERATE	2	14.3	7,709	12.3	1,794	10.9	1,094	17.9
MIDDLE	10	71.4	46,987	74.8	12,545	76.1	4,470	73.1
UPPER	2	14.3	8,084	12.9	2,147	13.0	547	9.0
TOTAL	14	100.0	62,780	100.0	16,486	100.0	6,111	100.0

Source: 1990 Census Data

Middle-income census tracts contain the majority of the assessment area's population and family households. A total of 12,545 family households reside within these tracts. Of these households, there were 4,470 low and moderate-income families, representing 35.6 percent. Of all families within the middle income census tracts, 736 families or 5.9 percent fell below the poverty level.

Moderate-income census tracts contain 1,794 households. Of these households, low and moderate-income families totaled 1,094 and represented 61.0 percent of all families residing in the two moderate-income census tracts. Within the moderate-income census tracts, there were 364 families or 20.3 percent of all families having incomes below the poverty level. In comparison, the Massachusetts statewide level for families with incomes that fell below the poverty level was 6.7 percent, while the assessment area wide level was 7.1 percent.

Low and moderate-income families totaled 547 and represented 25.5 percent of all families residing within the two upper-income census tracts. There were 72 families or 3.4 percent of total families having incomes below the poverty level in these geographies.

The following provides Greenfield Savings Bank's assessment area housing demographics by census tract income levels.

HOUSING DATA BY CENSUS TRACT INCOME LEVELS*					
Census Tract Income Levels	Total Occupied Housing Units		Owner Occupied Units	Renter Occupied Units	Median Home Value
	#	%	%	%	
MODERATE	3,528	14.2%	30.9%	69.1%	\$94,612
MIDDLE	18,267	73.6%	69.1%	30.9%	\$117,704
UPPER	3,037	12.2%	81.9%	18.1%	\$131,708
TOTAL	24,832	100.0%	65.2%	34.8%	\$116,241

* 1990 U.S. Census Data

The median home values in the above table are based on 1990 U.S. Census data. Warren Information Services compiles current home sale prices based on the Franklin County Registry of Deeds transactions. The following provides median home price comparisons for June 1999 and June 2000 in the five most active communities/markets.

	June 30, 1999*	June 30, 2000*	% Change
GREENFIELD	\$99,500	\$97,000	-2.5
MONTAGUE	\$82,000	\$77,000	-6.1
NORTHFIELD	\$87,000	\$103,000	18.4
SUNDERLAND	\$131,000	\$139,900	6.8
DEERFIELD	\$113,500	\$135,000	18.9

Source: Warren Information Services (Banker & Tradesman)

Greenfield, Montague (includes the villages of Turners Falls and Millers Falls), and Northfield are situated in the central and northern parts of Franklin County. Median home prices in these communities appear to be in sharp contrast to median home prices in the two southern Franklin County communities of Sunderland and Deerfield. The median home prices in Sunderland and Deerfield are affected by their closer location to Amherst and Northampton, which are larger population and employment centers. Amherst hosts the largest employer in the Greater Franklin County Region, the University of Massachusetts.

Franklin County Industry and Employment

A Comprehensive Economic Development Strategy (CEDS) program has been established for the Greater Franklin County Region under the guidelines of the federal Economic Development Administration (EDA). The CEDS program brings together local and regional entities and individuals to plan and guide economic development activities. The following discussion on industry and employment is based on information compiled and published by the CEDS committee in June 2000.

According to the CEDS report, although agriculture and manufacturing have declined, both of these sectors remain an important part of the region's economic base. The services sector ranks first in Franklin County, manufacturing continues as the second largest industry sector, and retail trade ranks third. Based on U. S. Department of Commerce – County Business Pattern 1997 data, manufacturing offered a higher income per employee on average than the other major employment sectors of retail trade and services. In 1997, Franklin County's manufacturing payroll represented 39 percent of the total county payroll, totaled \$206 million, and averaged \$33,760 per employee. By comparison, the county's services sector had an annual payroll of \$154.5 million and averaged \$20,056 per employee. Lastly, the retail trade sector had an annual payroll of \$57 million and averaged \$13,111 per employee.

Franklin County's manufacturing sector experienced loss of jobs in 1998, 1999, and 2000. Manufacturing firms that have either laid off or eliminated jobs include; Greenfield Industries and Well Tool Company situated in Greenfield; Hardigg Plastics and Channing L. Bete located in Deerfield, American Fiber and Finishing in Colrain, and International Paper in Montague. The CEDS committee recognized the need for emphasis on the retention/expansion of manufacturing jobs. The June 2000 evaluation stated that "It is important that infrastructure and local support be in place to retain manufacturers in the region. It is vital for survival that local manufacturers have access to industrial property, technological resources, and an educated workforce."

The Town of Greenfield is now faced with the challenge of having to redevelop brownfield sites (former industrial sites) in order to provide future industrial sites. Franklin County's towns (with the exception of Greenfield) lack updated switching equipment and computer systems to provide high-speed telecommunication services that are vital to attracting high tech companies. Lastly, a Franklin Regional Council of Governments 1997 survey of major employers indicated that half of all respondents noted that they had difficulty finding skilled employees.

The largest employers (in the FRCOG survey) included Franklin Medical Center, Northfield Mt. Hermon School, Deerfield Academy, Clinical and Support Options, the Mohawk Trail Regional School District, Greenfield Community College, and Gill-Montague Regional School District. The largest manufacturing employers were Yankee Candle Company, Greenfield Industries, Channing L. Bete, Hardigg Industries, and Judd Wire, Inc.

In 1994, the Greater Franklin County region was designated as an Economic Target Area (ETA) by the state under the Massachusetts Economic Development Incentive Program. Municipalities within an ETA receive priority status under certain State programs. The program's purpose is to increase overall economic development readiness in order to attract/retain businesses and to create/expand job opportunities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

LENDING TEST

The institution's Lending Test performance was rated an overall "High Satisfactory." The institution's lending efforts are rated under seven performance criteria: Lending Activity, Geographic Distribution, Borrower Characteristics, Community Development Lending, Innovative or Flexible Lending Practices, Fair Lending, and Loss of Affordable Housing. The following information details the data compiled and reviewed, as well as conclusions on the bank's performance.

I. Lending Activity

This criterion evaluates the number and dollar volume of loans granted (or purchased) within the assessment area. The bank's credit products evaluated for this criterion and the two subsequent lending test criteria are: (1) residential loans that are considered to be HMDA reportable loans and (2) small business loans reported on the CRA Data Report. Residential loans analyzed in the evaluation (HMDA reportable loans) include purchase mortgages, refinances of purchase mortgages, and mortgage loans secured by multifamily (5 units or more) dwellings. The CRA regulation defines a small business loan as "a loan with an original amount of \$1 million or less that is secured by nonfarm nonresidential properties or; commercial and industrial loans to U.S. addressees." This definition is consistent with those found in the FDIC Call Report instructions. In addition, a small business is further defined as having gross annual revenues of \$1 million or less. For the purposes herein, the period under review constitutes calendar year 1999 as well as the January 1, 2000 through September 30, 2000 time frame.

For the period under review, Greenfield Savings Bank granted a total of 418 residential mortgage loans totaling \$45.2 million dollars within its assessment area. Home purchase loans numbered 281 loans for \$31.5 million while refinanced mortgages numbered 137 loans for \$13.7 million. Home purchase mortgages in 1999 represented 57.3 percent of the total residential loans granted, while home purchase loans represented 82.2 percent of the total through September 2000. Greenfield Savings Bank offered two homebuyer mortgage loan promotions in 2000 at below market/highly competitive interest rates. These loan promotions are important contributors to the institution's higher volume/percentage of purchase mortgages.

In 1999, Greenfield Savings Bank held a 14.8 percent market share based on all HMDA reportable residential loan activity within its assessment area. The bank's market share placed it first among the 160 HMDA reporting lenders active in the assessment area. Greenfield Savings Bank's mortgage lending activity demonstrates an excellent responsiveness to the assessment area credit needs.

For the period under review, Greenfield Savings Bank originated 194 small business loans totaling \$14.8 million within its assessment area. The bank's commercial loan portfolio grew by 27.0 percent from September 30, 1999 to September 30, 2000. Greenfield Savings Bank's small business lending activity demonstrates an excellent responsiveness to the community's credit needs.

Greenfield Savings Bank's net loan to total assets ratio was compared to other institutions' ratios that are active mortgage lenders within the assessment area. Refer to the table below.

COMPARATIVE NET LOAN-TO-ASSETS RATIOS

Financial Institution	Total Assets \$(000)	Net Loan to Total Asset Ratio (%)
Peoples Savings Bank	\$649,528	67.2%
The Bank of Western Massachusetts	\$504,806	64.9%
Florence Savings Bank	\$489,992	77.0%
Easthampton Savings Bank	\$381,986	59.1%
Greenfield Savings Bank	\$319,447	60.2%
Greenfield Co-operative Bank	\$127,084	68.7%
UMass/Five College Federal Credit Union	\$121,177	81.2%

*Source: FDIC Consolidated Report of Condition on June 30, 2000. For the credit union, NCUA 5300 Report of Condition.

The CRA regulation looks at the performance of "similarly situated lenders" as a way to evaluate a bank within its performance context. Only two of the above institutions (Greenfield Co-operative Bank and The Bank of Western Massachusetts) have offices and assessment areas within Franklin County. These institutions are considered in varying degrees to be "similarly situated lenders. Greenfield Co-operative Bank is also primarily a mortgage lender however, due to its smaller asset size, is evaluated as a small institution under CRA. The above comparison nonetheless, indicates that Greenfield Savings Bank's lending activity is good when compared to other lenders active within the assessment area.

In conclusion, the bank's lending activity based on the number and dollar volume of both residential and small business loans is considered to be excellent.

II. Geographic Distribution

This criterion evaluates the institution's lending performance for residential mortgage loans and small business loans based on the loan location. This criterion evaluates: (a) the percentage of the bank's lending within the assessment area; (b) the dispersion of lending throughout the assessment area; and (c) the number and dollar amount of these loans in low, moderate, middle, and upper- income geographies (census tracts). Comparative 1999 aggregate data for HMDA reporting lenders and the CRA aggregate data for small business lenders were obtained through PCI Services, Inc's "CRA Wiz" software program.

Greenfield Savings Bank originated 499 residential loans totaling \$56.1 million for the period reviewed. Of these loans, there were 418 mortgage loans totaling \$45.2 million granted inside the assessment area. Lending activity inside the assessment area represented 83.8 percent of the number and 80.6 percent of the dollar volume of the residential mortgage loans originated.

There were 204 small business loans granted during the review period totaling \$15.1 million. Of these, Greenfield Savings Bank granted 194 small business loans for a total of \$14.8 million within the assessment area. Small business lending activity inside the assessment represented 95.1 percent and 98.4 percent by number and dollar, respectively.

The following two tables show the allocation of the bank's lending inside and outside its assessment area. The analysis demonstrates that a substantial majority of both the residential and small business lending is situated within the assessment area.

Residential Lending by Number and Dollar Volume*												
Location	1999				September 30, 2000				Total			
	#	%	\$(000)	%	#	%	\$(000)	%	#	%	\$(000)	%
Total Inside	255	85.9	26,006	82.5	163	80.7	19,235	78.2	418	83.8	45,241	80.6
Outside	42	14.1	5,522	17.5	39	19.3	5,354	21.8	81	16.2	10,876	19.4
Grand Total	297	100.0	31,528	100.0	202	100.0	24,589	100.0	499	100.0	56,117	100.0

*Source: Greenfield Savings Bank's residential loan application register.

Small Business Lending by Number and Dollar Volume*												
Location	1999				September 30, 2000				TOTAL			
	#	%	\$(000)	%	#	%	\$(000)	%	#	%	\$(000)	%
Total Inside	111	97.4	8,119	99.3	83	92.2	6,726	97.4	194	95.1	14,845	98.4
Outside	3	2.6	60	0.7	7	7.8	179	2.6	10	4.9	239	1.6
Grand Total	114	100.0	8,179	100.0	90	100.0	6,905	100.0	204	100.0	15,084	100.0

*Source: CRA Report data

Distribution of Residential Loans within the Assessment Area

An analysis of residential mortgage lending extended within the various census tracts contained in Greenfield Savings Bank's assessment area was conducted. As indicated in the Performance Context, the assessment area is composed of 14.3 percent moderate-income, 71.4 percent middle-income, and 14.3 percent upper-income census tracts. The following table presents the Greenfield Savings Bank's performance. Also included in this table is the aggregate distribution for all other HMDA reportable lenders (exclusive of Greenfield Savings Bank and Greenfield Co-Operative Bank) within the assessment area. Although it is recognized that Greenfield Savings Bank is not a HMDA reporter, utilizing the 1999 aggregate lenders' data indicates the level of lending opportunities that exist within the respective census tracts.

Comparison of Bank's Distribution of Residential Lending by Census Tract										
Tract	1999 Bank Performance				1999 Aggregate		2000 Bank Performance**			
	#	%	\$(000)	%	% of #	% of \$	#	%	\$(000)	%
Moderate	11	4.3	826	3.2	8.2	5.9	16	9.8	1,302	6.8
Middle	210	82.4	21,652	83.2	76.1	75.3	129	79.1	15,797	82.1
Upper	34	13.3	3,528	13.6	15.7	18.8	18	11.0	2,136	11.1

Total	255	100	26,006	100	100	100	163	100	19,235	100
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*Source: PCI Services, Inc., CRA Wiz Software (Aggregate Data excludes Greenfield Savings Bank.).

** Through September 30,2000

The bank's geographic lending patterns confirm that mortgage loans are dispersed throughout census tracts comprising the assessment area. No significant lending gaps or areas of low lending penetration were noted.

The bank's 1999 geographic distribution overall follows a reasonable pattern given the opportunities to lend within the given census tracts. It is notable that the bank's geographic distribution of lending to the moderate-income census tracts improved in 2000. Both the number and dollar volume of loans located in these tracts increased.

In conclusion, Greenfield Savings Bank granted a substantial majority of residential loans within its assessment area and demonstrated an excellent geographic penetration of all census tracts with no significant lending gaps. In 1999, the bank had an adequate geographic lending distribution among all income levels of census tracts with some weakness in residential lending within the moderate-income geographies. However, the geographic distribution of lending to the moderate-income tracts increased in 2000 resulting in an improved distribution considering the assessment area's housing demographics. Overall, Greenfield Savings Bank's residential geographic distribution demonstrates a good pattern of lending given the above mentioned factors.

Distribution of Small Business Lending within the Assessment Area

Greenfield Savings Bank granted small business loans within all of the census tracts in its assessment area. As with residential lending, the distribution of small business loans among the income levels of census tracts was also analyzed and compared to the aggregate performance of all other small business lenders active within the assessment area. It should be noted that, unlike its residential (HMDA) lending, Greenfield Savings Bank is a CRA small business lending reporter. Therefore a direct correlation to aggregate data for the bank's small business lending was utilized throughout this Public Evaluation.

Refer to the following table.

Distribution of the Bank's Small Business Lending by Census Tract*										
Tract	1999 Bank Performance				1999 Aggregate Data		2000 Bank Performance Through September 30, 2000			
	#	%	\$ (000)	%	% of #	% of \$	#	%	\$ (000)	%
Moderate	31	27.9	1,850	22.8	11.8	5.4	23	27.7	1,397	20.8
Middle	64	57.7	5,443	67.0	69.3	70.9	49	59.0	4,481	66.6
Upper	16	14.4	826	10.2	18.1	23.5	11	13.3	848	12.6
NA	0	0.0	0	0.0	0.8	0.2	0	0.0	0	0.0

Total	111	100	8,119	100	100	100	83	100	6,726	100
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*Source: Bank's CRA Report Data **PCI Services, Inc., CRA Wiz Software. (Aggregate Data excludes Greenfield Savings Bank.)

Greenfield Savings Bank's small business loan distribution for both 1999 and 2000 demonstrates an excellent geographic loan distribution, particularly within the moderate-income census tracts. As indicated, the bank's lending in the two moderate tracts is substantially above aggregate. Information on the composition of small business concerns among the various census tracts within the assessment area was not available. However, the two moderate geographies include downtown Greenfield and the Deerfield Street corridor, the site of many retail businesses. Credit accessibility to these small businesses supports the Town of Greenfield's commercial center.

All small business lending activity in Franklin County in 1999 totaled 648 loans for \$28.1 million, including the loans granted by Greenfield Savings Bank. The bank's market share represented 17.3 percent (by number) and 29.0 percent (by dollar) of the total small business loans extended. Greenfield Savings Bank held the top market position (by dollars granted) within its assessment area. Only two lenders granted more small business loans than Greenfield Savings Bank. American Express granted 161 loans and Capital One, FSB granted 117 loans. However, these companies' market share (by dollar volume) represented 4.3 percent and 1.4 percent, respectively. The small business loan market share analysis indicated the significant lending role that Greenfield Savings Bank fulfills within the assessment area. The bank's small business lending activity is given greater weight in light of this data.

In summary, the bank's small business lending demonstrates an excellent geographic dispersion among all census tracts comprising the assessment area, particularly the moderate-income geographies.

III. Borrower Characteristics

The third lending criterion evaluates the extent to which an institution lends to borrowers of different income levels and businesses of different sizes within the assessment area. The factors analyzed by the number and dollar amount of loans include (a) home mortgage loans to low, moderate, middle, and upper- income individuals; (b) small business loans by loan size at origination and (c) small business loans to businesses with gross annual revenues of \$1 million or less.

Residential Lending

An analysis of residential mortgage lending extended within the bank's assessment area, among various income levels for the period under review was performed. Origination's were categorized by the ratio of the applicant's reported income to the 1999 and 2000 estimated median family incomes of the non-MSA and the Springfield MSA (refer to the Performance Context Section).

Low income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate income is defined as income between 50 to 79 percent of the median family income level for the MSA. Middle income is defined as income between 80 and 119 percent of the median family income level for the MSA. Upper income is defined as income greater than 120 percent of the median family income level for the MSA.

The following provides the bank's distribution of residential loans by borrower income level. Additionally, the table compares the bank's distribution by borrower income level to the collective HMDA reportable loan origination's within the assessment area. Again as with the census tract lending, the 1999 aggregate lenders' data was used as a barometer to determine the extent of lending opportunities within the assessment area. The table also includes the assessment area's distribution of family households by income levels.

Comparison of the Bank's Distribution of Residential Lending by Borrowers' Income Levels												
Income Levels	Family Households**		1999 Bank Performance				1999 Aggregate Data		September 30, 2000 Bank Performance			
	#	%	#	%	\$(000)	%	% of #	% of \$	#	%	\$(000)	%
Low	3,116	18.9	9	3.5	408	1.6	5.4	3.0	3	1.8	185	1.0
Moderate	2,995	18.2	30	11.8	2,054	7.9	18.5	13.6	24	14.7	1,743	9.1
Middle	4,411	26.7	81	31.8	7,072	27.2	24.9	23.1	48	29.4	4,513	23.5
Upper	5,964	36.2	135	52.9	16,472	63.3	36.8	46.0	88	54.1	12,794	66.4
NA	0	0	0	0	0	0	14.4	14.3	0	0	0	0
Total	16,486	100	255	100	26,006	100	100	100	163	100	19,235	100

*Source: PCI Services, Inc., CRA Wiz Software.

**Source: 1990 U.S. Census data.

Included in the low-income category are 1,172 family households within the bank's assessment area whose income is considered to be below poverty level, and thus, unlikely to qualify for a residential mortgage (HMDA) loan. If that category were adjusted to reflect this fact, the number of low-income family households within the bank's assessment area would be decreased to 1,944 or 12.7 percent.

It should be noted that those originations designated as not applicable are loans where the borrowers' income was not taken into account when granting the loan; the borrower is an employee; or the loan was purchased.

As indicated in the above table, the aggregate lenders' distribution corresponds reasonably to the distribution of family households in the assessment area with the exception of the low-income category. Greenfield Savings Bank's 1999 performance, by percentage, was below the percentages of both the aggregate and the number of family households in the low and moderate-income categories. The bank's Year 2000 performance reflects a decline in the percentage of residential mortgage lending to low-income borrowers; however, its percentage of lending to moderate-income borrowers actually improved. Based upon the above, and particularly the improved distribution of loans to moderate-income borrowers in the Year 2000, Greenfield Savings Bank's residential mortgage lending by borrower income is considered to be adequate.

Small Business Lending

A small business loan is defined as a loan with an original amount of \$1 million or less that is reported by the bank as either a commercial real estate loan or a commercial and industrial loan. The bank's small business lending activity is analyzed to determine the institution's lending based on two factors: the loan amount at origination and whether those businesses to which the loan was made had gross annual revenues of \$1 million or less.

The following table compares Greenfield Savings Bank's small business lending activity by loan size with the aggregate lending activity of all other CRA reporting lenders within the assessment area.

Distribution of Small Business Lending by Loan Amount*										
Loan Amount	1999 Bank Performance				1999 Aggregate Data**		September 30, 2000 Bank Performance			
	#	%	\$ (000)	%	% of #	% of \$	#	%	\$ (000)	%
< = \$100,000	91	82.0	2,668	32.9	93.1	33.0	66	79.5	2,217	33.0
\$100,000 - \$250,000	12	10.8	2,056	25.3	3.5	14.9	15	18.1	2,577	38.3
> \$250,000 - \$1MM	8	7.2	3,395	41.8	3.4	52.1	2	2.4	1,932	28.7
Total	111	100	8,119	100	100	100	83	100	6,726	100

*Source: PCI Services, Inc., CRA Wiz Software. **Excludes Greenfield Savings Bank.

In 1999, 82.0 percent of Greenfield Savings Bank's total small business loans were in amounts of \$100,000 or less compared to the aggregate with 93.1 percent of loans in this category. However, the aggregate data includes two credit card company lenders, which combined granted 42.9 percent of all the small business loans reported. American Express granted 161 loans with an average loan size of \$8,000 and Capital One, FSB granted 117 loans with an average size of \$3,000 per loan. On further analysis, Greenfield Savings Bank granted a greater percentage of dollars in the two smaller loan size categories than the aggregate lenders. Given these facts, the bank's small business lending based on loan size is considered good.

The following table provides an analysis of the bank's lending to businesses of different sizes based on the gross annual revenues of the business entities and the comparative CRA aggregate performance data.

Distribution of Small Business Lending by Revenues*										
Business Revenues	1999 Bank Performance				1999 Aggregate Data**		September 30, 2000 Bank Performance			
	#	%	\$ (000)	%	% of #	% of \$	#	%	\$ (000)	%
< = \$1,000,000	89	76.7	5,026	61.9	63.1	47.4	60	72.3	3,179	47.3
> \$1,000,000	22	19.8	3,093	38.1	36.9	52.6	21	25.3	3,303	49.1
Not Available (N/A)	0	3.5	0	0.0	0.0	0.0	2	2.4	244	3.6
Total	111	100	8,119	100	100	100	83	100	6,726	100

*Source: PCI Services, Inc., CRA Wiz Software. **Excludes Greenfield Savings Bank.

In 1999 the bank's lending to business entities with gross revenue less than \$1 million exceeded the aggregate lenders' performance by both the number and dollar volume of loans granted. In the first nine months of 2000, the bank's lending to business concerns with revenues under \$1 million declined somewhat both by number and by dollar volume, but remained above or comparable to the aggregate level. Therefore, the bank's small business lending activity based on gross revenues is considered to be excellent.

In summary, the bank's lending to businesses of different sizes demonstrates a good distribution of loans of \$100M or less and an excellent distribution to small businesses based on gross annual revenues under \$1 million. In addition, the bank's performance under the lending criterion of borrower characteristic demonstrates an adequate level of residential lending among borrowers of different income levels, particularly low and moderate-income borrowers. Overall, Greenfield Savings Bank's performance for this criterion is considered to be adequate.

IV. Community Development Lending

Greenfield Savings Bank has provided loans to various organizations for community development purposes. As defined in the revised CRA regulation, a community development purpose is: affordable housing for low and moderate-income individuals, community services targeted to low and moderate-income individuals, activities that promote economic development by financing small businesses or small farms, or activities that revitalize or stabilize low and moderate-income geographies. However, in order to qualify as a community development loan, the loan must not be reportable as a home mortgage or small business loan, unless it is for a multi-family dwelling (five or more units).

The availability of qualified community development lending opportunities within Greenfield Savings Bank's assessment area appears to be somewhat limited. However, the bank is poised to take advantage of any community development lending opportunities should they arise, as evidenced by the following.

Clinical and Support Options, Inc. (CSO) - CSO is a non-profit organization that provides mental health counseling services on an out patient basis to individuals within Franklin and Hampshire counties. Funding for CSO comes primarily from the Massachusetts Department of Mental Health (DMH). In August 2000, Greenfield Savings Bank granted a \$150,000 increase in an existing Line of Credit to CSO for short-term cash needs until funding from DMH was received

The Literacy Project, Inc. - The Literacy Project is a non-profit 501 (c) (3) that provides reading, writing, math, and GED instruction to over 300 adult students a year in Franklin, Hampshire, and northern Worcester counties. Financial support comes primarily from the Massachusetts Department of Education, as well as from other federal, state and local grants, the United Way, and private contributions. In October

2000, Greenfield Savings Bank granted a \$40,000 time note to this organization to provide working capital pending receipt of a receivable from the state.

Green Meadows Community Services, Inc. (GMCS) - GMCS is a non-profit organization that provides both care and education services to autistic and mentally retarded children through community residences. The primary source of revenue for GMCS comes from the Massachusetts Department of Mental Retardation. In October 2000, Greenfield Savings Bank granted a \$100,000 increase in a commercial line of credit to GMCS to finance a temporary shortfall in funding from the state.

New England Learning Center for Women in Transition, Inc. (Center for Women) - The Center for Women is a non-profit 501 (c) (3) organization that provides a twenty-four hour hot line, safe shelter, legal advocacy, individual and group counseling, and community education programs for battered women. Financial support comes primarily from federal, state and local grants, the United Way, and private contributions. In October 1999, Greenfield Savings Bank granted a \$50,000 increase in a commercial line of credit to GMCS to finance a temporary shortfall in funding from federal and state agencies.

The Community YMCA of Greenfield (YMCA) - In November 1998, Greenfield Savings Bank granted a \$500,000 "temporary" line of credit to the YMCA to fund the construction of an addition to its facility on Main Street (moderate-income census tract). The loan was written as interest only until January 2001 (5-years), then repayment of principal and interest was to be made, based on a 240-month term. Funds were dispersed commencing in 1999. Repayment is coming from the YMCA's Capital Campaign pledges as they are received.

Multi-Family Properties

In April 2000, Greenfield Savings Bank granted two commercial mortgages, each for \$112,000. The first loan was a re-finance on an 11-unit investment property located in Turners Falls. Although not in a moderate-income census tract, the property is located in a blighted area as designated by the Commonwealth. The second loan was a first mortgage on a 7-unit apartment building located in Greenfield. This property is located in a moderate-income census tract.

In October 1999, Greenfield Savings Bank granted a \$480,000 commercial mortgage for the purposes of purchasing two apartment buildings, (8 units each) located in a moderate-income census tract in Greenfield.

In January 1999, the bank granted a \$115,000 commercial mortgage for the purposes of refinancing three apartment buildings, all of which are located in a moderate-income census tract.

In February 1999, Greenfield Savings Bank granted a \$515,000 commercial mortgage for the purposes of refinancing two apartment buildings. The first property was a 19-unit

apartment building located in a moderate-income census tract in Greenfield. The second property was a 9-unit apartment building located in a middle-income census tract in Montague.

In summary, Greenfield Savings Bank's Community Development Lending performance is considered to be better than average given the bank's asset size and rural location.

V. Innovative or Flexible Lending Practices

This criterion evaluates a bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low or moderate-income individuals or geographies.

Greenfield Savings Bank offers flexible loan programs aimed at meeting the credit needs of low and moderate-income individuals and small businesses. These programs are detailed below.

Greenfield Savings Bank became a Massachusetts Housing Finance Agency (MHFA) participating lender in February 1999. The bank participates in the **MHFA general loan program** offering home purchase mortgages with 95 percent or 97 percent Loan-to Value (LTV) for 1-4 family properties. This program offers below market fixed interest rates and expanded qualifying ratios of 33%/38%. Since beginning MHFA participation, the bank has originated 8 MHFA mortgage loans totaling \$731,000.

Greenfield Savings Bank is a certified SBA (Small Business Administration) lender. The bank utilizes three SBA loan programs to assist small businesses, which meet the size and other eligibility requirements. The bank grants SBA guaranteed loans under the 7(a), the "Low Doc", and the 504 Certified Development Company programs. The 7(a) program is the SBA's primary loan program and offers working capital revolving lines of credit and short term loans to businesses meeting the SBA's size and credit requirements. The 7(a) program has no maximum loan amount and a maximum SBA guaranty up to \$1,000,000. The maximum loan amount under the Low Doc program is \$150,000. These loan programs make possible the credit extension by offering surety through the SBA guaranty. The bank originated 5 SBA loans for \$905,000 in 1999 and YTD 2000.

Greenfield Savings Bank participates in the **Homeowner Options for Massachusetts Elders (H.O.M.E.) reverse mortgage program**, which assists low and moderate-income senior citizens to remain in their homes. The H.O.M.E. program also provides needed financial counseling to senior homeowners often finding solutions, which do not require the use of a reverse mortgage. The bank to date has not granted a reverse mortgage loan.

Greenfield Savings Bank committed \$350,000 in loan funds for the proposed **Downtown Turners Falls/Millers Falls Façade Improvement/Commercial Rehabilitation Program**. This program is designed to meet the Town of Montague's commercial centers'

revitalization goals and is to be administered by the Franklin County Regional Housing and Redevelopment Authority. The redevelopment agency will review any proposed projects as to whether they meet the program guidelines and refer eligible borrowers to the bank. The bank will analyze the borrowers' financial needs and capacity and recommend financing options. The proposed program anticipates use of deferred payment loans (public funds) administered by the Franklin County Regional Housing and Redevelopment Authority and private bank loans granted by Greenfield Savings Bank. The bank will offer the loan funds at one-half of a percent below the market rate.

Greenfield Savings Bank maintains a portfolio of loans to nonprofit organizations within the bank's assessment area. The bank identifies this nonprofit lending as its "Community Service Loan Program." The majority of these loans do not necessarily meet the CRA regulation's definition for community development loans. However, the bank allows certain financing considerations to established nonprofit organizations, including favorable loan pricing and waiver of personal guarantees on unsecured working capital loans. There were 44 loans to nonprofits totaling \$4.1 million in the bank's portfolio as of October 2000.

In October 2000 the Federal Home Loan Bank of Boston (FHLBB) approved Greenfield Savings Bank's application for two affordable housing loan initiatives under the **FHLBB Community Development Advance program**. These affordable housing funding approvals are based on certain qualified mortgages granted by Greenfield Savings Bank under mortgage promotions known as "Buy in July" and Winter/Spring Warm-up". Under the FHLBB's Community Development advances, qualifying mortgages are to be secured by single family dwellings purchased or owned by income-eligible families. Income-eligible families are those with incomes at or below 115 percent of the area median family income.

The bank ran its "**Buy in July**" mortgage loan offering for the eleventh consecutive year in 2000. The "Buy in July" is a purchase mortgage loan promotion with the majority of the applicants being referred by local real estate agents. This loan promotion offers a below market fixed rate mortgage with maximum term of 30 years and 95 percent Loan to Value (LTV). In addition, "Buy in July" offered reduced closing cost to borrowers with no appraisal fee, no application fee, no credit report fees, and no points being charged. Greenfield Savings Bank granted 30 purchase mortgage loans totaling \$3.3 million within its assessment area with its Buy in July 2000 offering. Of these loans, 11, totaling \$956,000 qualified under the FHLBB affordable housing/community development funding guidelines.

Likewise, the bank's "**Winter/Spring Warm-up**" mortgage loan promotion in 2000 offered a low fixed-rate mortgage (30-year term, 95 percent LTV maximums) with no application fee and no points. The promotion was initially offered on home purchases only but was expanded to include refinances and construction mortgages. Greenfield Savings Bank granted 87 loans totaling \$11.7 million within its assessment area under this loan offering. Of these loans, 11, totaling \$1.0 million qualified under FHLBB's Community Development Advance guidelines.

In summary, Greenfield Savings Bank utilizes flexible and innovative lending practices in a safe and sound manner to address the credit needs of low and moderate-income borrowers and small businesses. Of particular importance are the MHFA general mortgage loan program, SBA small business loans, and Greenfield Savings Bank's lending commitment to revitalization efforts in the Turners Falls/Millers Falls commercial centers.

VI. Fair Lending Policies and Practices

Greenfield Savings Bank has a satisfactory record of implementing fair lending policies and practices. The following discussions of the institution's fair lending practices are based on guidelines established by the Division of Banks Regulatory Bulletin 2.3-101.

Staff Training

Greenfield Savings Bank is a member of the Massachusetts Bankers Association and the Bank Compliance Association of Western Massachusetts. These organizations provide seminars/training on a variety of compliance topics. The bank sends its officers/staff to seminars that enhance and strengthen their working knowledge and skills. Several mortgage originators attended seminars on the Massachusetts Housing Finance Agency's lending programs during the period reviewed.

The bank held a day of training on diversity and privacy issues on March 15, 2000. All employees were required to view the video "Fair Lending-Its Good Business". Furthermore, the bank's compliance officer conducted an Equal Credit Opportunity Act (ECOA) training session for loan officers and lending staff on June 23rd and 28th and on July 7, 1999.

Staff Composition and Compensation

Greenfield Savings Bank employs a total of 78 full time and 13 part-time employees, three of who are minorities. There is one staff member who is bilingual in Spanish and one in German. In addition, a teller in the main office is proficient in sign language. Staff members responsible for loan originations are not compensated on a commission basis and are therefore encouraged to make loans of all dollar amounts.

Outreach

The purpose of outreach to community organizations and individuals is to assist the institution in ascertaining the credit needs of its entire assessment area. The bank, through its officers, has developed relationships with area organizations dealing with credit, housing or economic development issues. These organizations include but are not limited to the Franklin County Chamber of Commerce; Greenfield Business Association; Franklin County Community Development Corporation; Shelburne Falls Area Business Association; Franklin-Hampshire County Association of Realtors;

Homeowner Options for Massachusetts Elders (H.O.M.E.); and Montague Community Partnership.

Refer to Community Development Services under the Service Test for a more detailed discussion.

Credit Products and Underwriting Standards

Greenfield Savings Bank's underwriting standards conform to secondary market guidelines with qualifying ratios of 28%/36% (total housing expense/total debt to gross monthly income) utilized for its mortgage underwriting guidelines. Consumer lending guidelines follow the same qualifying ratios however, exceptions do occur when a borrower's housing expense is either below or above 28 percent of gross income. The bank's consumer loan policy allows for an upper limit of 33%/38%.

The bank offers fixed rate mortgage products both for in-house and for sale to the Federal Home Loan Mortgage Corporation (FHLMC). The bank also offers a 5/1 and 7/1 adjustable rate mortgage (ARM) programs. Home equity lines are also offered. Consumer loan products offered include new/used car loans, passbook and single payment loans for 30, 60, and 90 days, and government guaranteed student loans. Greenfield Savings Bank offers personal lines of credit called the "Greenline" as an adjunct to its checking account product. The "Greenline" functions as a revolving line with a maximum loan amount offered of \$7,500. A principal payment of 2 percent of the outstanding balance is required monthly in addition to the monthly interest payment.

Lastly, the institution offers a variety of commercial loan products, which include lines of credit for working capital, revolving loans, term loans (maximum maturity 5 years), and short-term loans/time loans (one year or less maturity).

Refer to Innovative and Flexible Lending Practices for further discussion on loan programs.

Marketing

The bank utilizes both print media and radio to inform the public of its credit products and other banking services. The bank advertises regularly in local newspapers that include The Recorder, published in Greenfield and serving all of Franklin County; The Shelburne Falls and West County News, a weekly publication; The Ashfield News, a monthly publication circulated in west Franklin County; The Town Crier, circulated county-wide and offered free to the reader; and The Good Life, a monthly publication for seniors.

The overwhelming majority of the bank's radio advertising is on WHAI, which broadcasts out of Greenfield and serves all of Franklin County. Other radio stations utilized include WPVQ (Turner Falls) and WRNX (Holyoke).

The bank's advertising program appears to reach all segments of the assessment area.

Credit Education and Counseling

Greenfield Savings Bank offers a pre-approval service for first time homebuyers. The pre-approval program offers a complete application process and an opportunity to provide credit counseling to the applicant(s).

A mortgage loan originator served as a presenter in 1999 and 2000 for the Homebuyer Counseling Workshops, which are offered by the Franklin County Regional Housing and Redevelopment Authority (HRA). In addition, the bank's Assistant Vice President for Lending offered a presentation on the Fair Credit Reporting Act at a seminar for seniors in May 2000.

Second Review Practices and Internal Control Procedures

The bank's policy and procedures manual require that a second loan officer review an application to be denied prior to a denial/adverse action notice being sent. A second review is conducted on mortgage, consumer, and business loan applications.

The second review process serves as the bank's primary means of detecting any potential discriminatory practices and consequently the bank's primary internal control procedures for monitoring its own fair lending practices. In addition, the CRA Officer analyzes the bank's mortgage approval rates for several categories of borrowers and the bank's approval rate for all mortgage applicants.

Minority Application Flow

The bank's minority loan applications were compared to the aggregate HMDA reporters' data and to the assessment area demographics to determine the reasonableness of the institution's level of attracting minority applicants. The bank's assessment area is composed of 62,780 individuals of which 1,756 individuals or 2.8 percent are minority residents. Based on 1990 U.S. Census data, the assessment area's minority population consists of Native Americans (0.3%), Asian/Pacific Islanders (0.7%), African Americans (0.5%), Hispanics (1.2%) and Other racial minorities (0.1%). The bank's minority application flow in 1999 and 2000 combined represented 1.6 percent of its total applications. This compared to the 1999 aggregate HMDA lenders receiving minority applications at 2.6 percent of total applications. See the following table for details.

MINORITY APPLICATION FLOW*

RACE	AGGREGATE 1999 DATA		BANK 1999		BANK September 30, 2000		BANK TOTAL	
	#	%	#	%	#	%	#	%
<i>Native American</i>	8	0.3	0	0.0	1	0.5	1	0.2
<i>Asian</i>	9	0.4	1	0.3	1	0.5	2	0.4
<i>Black</i>	16	0.7	1	0.3	1	0.5	2	0.4
<i>Hispanic</i>	20	0.8	0	0.0	2	1.0	2	0.4
<i>Other</i>	11	0.4	0	0.0	1	0.5	1	0.2
TOTAL MINORITY	64	2.6	2	0.6	6	3.1	8	1.6
<i>White</i>	1,605	65.7	293	93.0	178	93.2	471	93.1
<i>NA</i>	773	31.7	20	6.4	7	3.7	27	5.3
TOTAL	2,442	100.0	315	100.0	191	100.0	506	100.0

*Source: PCI Services, Inc., CRA Wiz Software.

As the above table demonstrates Greenfield Savings Bank's minority application flow was below the aggregate lenders in 1999. However, the bank's minority application flow improved considerably for the year-to-date 2000, rising above the 1999 aggregate HMDA lenders' minority application flow. Given the bank's improved minority application flow for 2000, Greenfield Savings Bank has demonstrated the ability to attract a reasonable level of minority applicants.

In conclusion, Greenfield Savings Bank's record of implementing and developing fair lending policies and practices is considered satisfactory. This conclusion is based upon regular training programs for all staff levels, regular contact with organizations for the purpose of ascertaining the assessment area credit needs, developed credit products including government lending programs, marketing efforts reaching all segments of the assessment area, and regular efforts to review all denied loan applications to ensure fairness in the underwriting and loan application process.

VII. Loss of Affordable Housing

This criterion evaluates whether or not a financial institution has engaged in systematic lending patterns resulting in the loss of affordable housing.

Based upon the analysis of Greenfield Savings Bank's lending activity, products, and fair lending practices, there is no evidence that the institution's lending patterns show any undue concentration or systematic pattern of lending resulting in the loss of affordable housing units. Greenfield Savings Bank assists low and moderate-income first time homebuyers by offering the Massachusetts Housing Finance Agency's (MHFA) mortgage programs. Additionally, several of the bank's community development loans provide affordable housing to low and moderate-income individuals/families residing within the moderate-income geographies.

INVESTMENT TEST

Given its asset size as well as its above average commitment to area organizations within the assessment area, Greenfield Savings Bank's performance under the Investment Test is considered to be "High Satisfactory".

As defined under the revised CRA regulation, a qualified investment is a lawful investment, deposit, membership share or grant that has community development as its primary purpose. Community development includes affordable housing for low and moderate-income individuals, community services targeted to low and moderate-income individuals, activities that promote economic development by financing small businesses or small farms, and activities that revitalize or stabilize low and moderate-income geographies. In recognition of the many legal limitations on bank investments, and the long-term nature and complexity of many community development investments, the CRA regulation allows some reasonable consideration for the entire bank portfolio of qualified investments; not just those made since the previous CRA examination. The following describes the institution's qualified investments.

Investments

It does appear that opportunities for Greenfield Savings Bank to invest in investments considered to be qualified under the Investment Test are somewhat limited. However, the bank is poised to take advantage of a qualified investment opportunity, should one be offered.

Charitable Contributions

Greenfield Savings Bank has taken a leadership role in providing contributions to organizations that provide education and training, neighborhood revitalization, youth programs, and health and human services for individuals in need, and support business growth and development. In some instances, these contributions have been substantial, multi-year commitments. For calendar year 1999, Greenfield Savings Bank provided \$54,789 in contributions, \$39,093 or 71.4 percent of which was in support of programs that promote community development, as defined under the revised CRA regulation. From January 1, 2000 through October 31, 2000, the bank provided \$111,524 in corporate contributions and commitments, of which, \$92,345 or 82.8 percent were considered qualified.

The following lists some of the organizations that Greenfield Savings Bank contributed to that were considered to be qualified investments:

Organizations that provide social services, aid in emergencies, and assist families in need such as: **United Way of Franklin County; the Salvation Army; the New England Learning Center for Women in Transition; The United Arc of Franklin and Hampshire Counties; The Food Bank of Western Massachusetts; and The Franklin Area Survival Center.**

Organizations that provide school, youth, and educational programs including **the Girls Club of Greenfield; The Brick House Community Resource Center; and the Greenfield Chapter of the YMCA.**

Organizations that provide community/business development such as: **the Franklin County Community Development Corporation (FCCDC); the Massachusetts Rural Development Council; Shelburne Falls Area Business Association; the Northeast Sustainable Energy Association; Montague Business Association; and the Franklin County Regional Housing Authority.**

Organizations that provide for the elderly such as: **Homeowners Options for Massachusetts Elders (HOME); Franklin County Home Care (Meals on Wheels); and the Gill/Montague Senior Center.**

In addition, Greenfield Savings Bank contributes to the **Greenfield Community College's Scholarship Fund** annually. Students who receive aid from this fund must have an average annual family income (living at home) or an average self-supporting income of \$15,000.

Although not considered to be qualified under the revised CRA regulations, Greenfield Savings Bank continues to be a strong corporate contributor to numerous organizations that support area schools, libraries, the arts, as well as non-profit service organizations located within its assessment area.

On September 12, 2000, Greenfield Savings Bank entered into an agreement with the Franklin County CDC whereby the bank will donate up to \$50,000 to the FCCDC based on a dollar for dollar match from fundraising efforts. The matching funds from the bank will be used to reduce the outstanding principal balance on a mortgage loan held by Greenfield Savings Bank. The mortgage loan is for two properties in Turners Falls that are located within the part of the community that has been designated by the Commonwealth of Massachusetts as a blighted area. The FCCDC must raise the first \$25,000 before the dollar for dollar match begins.

In addition, this agreement would extend the requirement that these two properties be maintained as affordable housing units for low and/or moderate-income residents until the year 2007. Currently, low-income residents holding Section 8, Chapter 707, or another recognized housing certificate through the Franklin County Regional Housing and Redevelopment Authority occupy these two properties. In 2004, the original agreement between the FCCDC and the Commonwealth of Massachusetts will expire and these properties will no longer be required to be occupied by low and/or moderate-income residents. In the event that these properties are sold, the extension to the year 2007 will be part of the terms of sale.

As indicated in the Flexible Lending portion of this Public Evaluation, Greenfield Savings Bank has utilized the FHLB's Community Development Advances (CDA) for some of its

lending. As a result of the bank's use of CDA funding since January 2000, the FHLB notified Greenfield Savings Bank in November 2000, that the bank is eligible for participation in the FHLB's Grants for New England Partnerships (GNP) program. The GNP program was established in 1994 to acknowledge the importance of the partnerships between member institutions and community-based nonprofit organizations. The FHLB voted to award Greenfield Savings Bank two donations to be given to a nonprofit organization of the bank's choosing. One donation for \$1,000 will be given to Franklin County Home Care Corporation, a private, nonprofit corporation that develops, provides and coordinates a range of services to facilitate the dignified, independent living of elders and persons with disabilities. Its Emergency Client Needs Reserve program assists area elders with one-time, short-term needs deemed critical to health, safety, food, or shelter. Elders served by this program have exhausted all other personal and community resources. The other donation for \$3,000 will be given to the Greenfield Kiwanis Foundation, Inc., a 501-(c) (3) organization. This donation will help to fund the Greenfield Area Skate Park that will be located in a moderate-income census tract in downtown Greenfield.

In conclusion, Greenfield Savings Bank's qualified charitable contributions reflect a strong level of responsiveness to the credit and community development needs of its assessment area, particularly given its asset size and rural locations of its offices.

SERVICE TEST

Greenfield Savings Bank's performance under the service test is considered to be better than average. Consequently, a rating of "High Satisfactory" is assigned.

The Service Test evaluates an institution's record of helping to meet the credit needs of its assessment area by analyzing both the availability and effectiveness of an institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The following describes Greenfield Savings Bank's services.

The bank's systems for delivering retail-banking services are readily available to geographies and individuals of all income levels throughout its assessment area. Greenfield Savings Bank's officers and staff address community development needs through involvement in a wide range of community organizations.

RETAIL BANKING SERVICES

Distribution of Branches

Greenfield Savings Bank operates a main office and three full service branch offices. The bank's main office is located in Downtown Greenfield within one of the moderate-income census tracts in its assessment area. The remaining three branches are located at

61 North Main Street in South Deerfield, 195 Avenue A in Turners Falls, and 58 Bridge Street in Shelburne Falls. All three branch offices are located in middle-income census tracts.

Branch hours are considered convenient and comparable to other local institutions with extended hours for the Shelburne Falls office until 6:00PM on Thursdays, and the South Deerfield and Turners Falls offices until 6:00PM on Fridays. All offices provide drive-up window service with extended hours. ATMs with network access are also available at all offices. The bank's ATM network affiliations include the NYCE, PLUS, CIRRUS, VISA/MASTERCARD, and American Express networks. In addition, Greenfield Savings Bank is a member of the SUM network, an alliance of financial institutions that do not levy ATM surcharges to customers of SUM member institutions.

Record of Opening and Closing Branches

Greenfield Savings Bank maintains a Branch Closing/Relocation Policy. The policy meets regulatory requirements concerning branch closing notices and procedures. No branches have been opened or closed since the previous examination.

Alternative Retail Banking Services

Greenfield Savings Bank offers “**Telephone Banking**”, a 24-hour program which allows customers to access the bank's voice response system to make inquiries, transfer funds between accounts, verify deposits/check clearing, etc. The system provides the customer a series of options and steps to follow. There is a local phone number and a toll free phone number option.

Web Site

Greenfield Savings Bank offers Internet banking through its own online service at www.greenfieldsavings.com. The service allows a customer to check account balances, view cleared checks, transfer funds, and pay monthly bills.

Other Retail Services

Greenfield Savings Bank offers savings accounts (both passbook and statement savings) which comply with the Massachusetts Community Banking Council's Basic Banking for Massachusetts program guidelines. Both of the bank's savings account products feature a \$10 minimum balance requirement to open and to earn interest with a \$1 per month fee if the average daily balance falls below \$250.

Greenfield Savings Bank offers a “Maxi-Serve” checking account that requires a \$10 deposit to open and charges \$8 per month. The bank also has a “Preferred Checking” account that requires a \$10 deposit to open and Direct Deposit of payroll checks.

The bank continues its involvement in the Massachusetts "Savings Makes Cents" program. The goal of this program is to teach children the basics of how to manage their money. Currently, the bank participates with Gill Elementary, Sheffield Elementary, and Montague Elementary School systems.

Greenfield Savings Bank participates in the Commonwealth's Interest on Lawyers Trust Account (IOLTA) program. In 1999, the bank sent \$10,634 in interest from IOLTA accounts to the Commonwealth. Through September 2000, the bank has sent \$7,077 in interest from IOLTA accounts to the Commonwealth. In turn, the Commonwealth distributes these monies to various agencies that provide legal services to lower-income individuals.

The bank continues to make available to tenants of the Greenfield Gardens apartment complex (low-income housing) a monthly bank check, free of charge, payable to the tenant's landlord. The tenants need not be a customer of Greenfield Savings Bank in order to receive this service.

COMMUNITY DEVELOPMENT SERVICES

The bank's officers and staff provide a high level of community development services to area organizations and agencies. The following details these activities.

Franklin County Community Development Corporation's mission is to enhance the quality of life for low and moderate-income individuals through efforts at job creation and retention. The CDC provides education and training for self-employment; and technical assistance to new and existing small businesses. The organization's offices are situated in a 25,000 square foot renovated industrial building, which functions as a small business incubator. Furthermore, the CDC provides secondary or "gap" financing to small businesses. A Greenfield Savings Bank Commercial Loan Officer serves as Chairman of the Board of Directors and on the Loan Committee of this non-profit organization. In addition, from October 1999 through February 2000, this individual served as interim Executive Director for this organization on a half-day, almost daily basis until a new Executive Director could be found. The bank's CRA and Compliance Officer has recently joined this organization's Board of Directors.

Greenfield YMCA's policy is not to deny anyone from joining or participating in YMCA programs due to a lack of funds. The organization offers financial assistance and work/trade arrangements to assist families and individuals. The YMCA is the largest provider of after school day care in Franklin County and operates an active summer camp program. Greenfield Savings Bank's President and a Board of Trustee member serve on the board of the Greenfield YMCA. Nineteen of the bank's Corporators, Trustees, Officers and employees were active in the 2000 YMCA "Sustaining Youth Campaign", which annually raises funds to support financial aid needs.

Greenfield Business Association (GBA) – An Assistant Vice President/Branch Manager of the bank serves on the Executive Board of this downtown Greenfield trade association. The association promotes activities that will serve to draw people into the downtown area.

The bank's President, Vice President, and a Trustee also serve on GBA's Commercial Development Committee.

Greenfield Community College (GCC) – Greenfield Savings Bank's Senior Vice President is Chairperson of the Board of Trustees of GCC. A bank Vice President/Senior Trust Officer also serves as a Trustee of GCC. This individual was recently appointed to serve on the GCC Foundation Board (formerly a member) and its committees as a liaison. The foundation raises funds to provide scholarships to low-income families and single mothers seeking an education for self-betterment.

United Way of Franklin County – Greenfield Savings Bank's Chairman of the Board of Trustees serves on the board of the United Way and has recently become Chairman of its fundraising efforts. United Way of Franklin County funds thirteen agencies, which serve low and moderate-income individuals and families.

Franklin County Home Care's (FCHC) Money Management Program - FCHC is a private, non-profit corporation that develops, provides, and coordinates a range of services to support the independent living of elders. The Money Management Program assists elders who have difficulty writing checks or managing their basic living expenses for many reasons. These individuals must be 60 years or older, and have an income of less than \$18,899 per year (single income) or \$26,743 per year (joint income), have liquid assets of less than \$30,000, and reside in Franklin County or in Athol, Petersham, Phillipston, or Royalston in Worcester County. A Vice President/Senior Operations Officer of Greenfield Savings Bank serves on the board of the Money Management Program.

HOME – A Greenfield Savings Bank Vice President of Lending is a member of HOME's Board of Trustees.

Warm the Children – A Vice President of Marketing from the bank serves as a liaison to Warm the Children.

Greenfield Girls Club – Greenfield Savings Bank's Assistant Vice President is Treasurer of the Greenfield Girls Club.

Franklin Community Action Corporation (FCAC) – FCAC efforts include the "Safe and Warm" campaign for needy families in Franklin County. In 2000, FCAC sponsored a conference on Rural Poverty and Social Change. A bank Assistant Treasurer/Branch Manager serves on the Executive Board and is Treasurer of FCAC.

Salvation Army – Greenfield Savings Bank's Assistant Treasurer/Branch Manager serves as Treasurer for the Salvation Army's Turners Falls "Kettle Drive".

Franklin County Chamber of Commerce – The bank's Senior Vice President serves on the Chamber's Executive Committee and also its Technical Services Committee. The

Chamber's Technical Services provide free economic development advice and financial consulting to area businesses.

Shelburne Falls Area Business Association – A Greenfield Savings Bank Assistant Treasurer/Branch Manager is a board member of this organization.

Other Community Services

When requested, a representative of Greenfield Savings Bank will “call” upon customers outside of the bank in order to facilitate customers banking needs. Largely, this involves elderly customers of the bank whom, for whatever reason, cannot physically come in to the bank. These “calls” include visiting a customer's home, nursing home, rehabilitation center, etc.

Occasionally, Greenfield Savings Bank permits the use of its boardroom for community group meetings.

Educational Services and Seminars

The Community Reinvestment Act (CRA) regulation considers credit and other financial education services as a community development service.

Greenfield Savings Bank has co-sponsored and/or sent a representative as guest speaker to educational seminars during the time period reviewed. The following are qualified services under the provisions of CRA regulation.

In 1999, the Vice President/Senior Operations Officer of the bank spoke at the Greenfield and Montague Senior Centers regarding Y2K and Scams. This individual also participated in a television program for the Franklin County Home Care Corporation (elders) on this topic. The program aired in December 1999.

On May 25, 2000 Greenfield Savings Bank co-sponsored, along with HOME and the Greenfield Council on Aging, “A Seminar for Greenfield Area Seniors” at the Greenfield Senior Center. In addition, a bank Assistant Vice President was a guest speaker discussing “Credit and Financial Information for Elders”.

In conclusion, Greenfield Savings Bank's services reflect a strong level of responsiveness to the community development needs of its assessment area, particularly given its asset size and rural locations of its offices.

Greenfield Savings Bank's Performance within the Springfield and non-Metropolitan Statistical Area's (MSA).

Greenfield Savings Bank's assessment area involves Springfield and non-MSA areas. The one community in the Springfield MSA is the Town of Sunderland. The Springfield MSA contains 29 cities and towns. The bank's assessment area penetration of the Springfield MSA constitutes 3.4 percent. The remaining twenty-four communities fall within the statewide non-MSA. The non-MSA contains 69 communities. Greenfield Savings Bank's assessment area penetration of the non-MSA constitutes 34.8 percent.

Given the modest penetration of Greenfield Savings Bank's assessment area in the Springfield MSA described above and the geographic dispersion of the statewide non-MSA, a separate analysis of the bank's lending, investment, and service test performance within the respective MSA's was not performed as such analysis would not be considered meaningful.

APPENDIX A

SCOPE OF EXAMINATION

As of the close of business, October 18, 2000, a review of compliance with applicable consumer and fair lending rules and regulations and a CRA examination, performed under the revised CRA regulations, was conducted at Greenfield Savings Bank's main office in Greenfield, Massachusetts. The bank's lending products reviewed at this examination include residential mortgage loan originations/purchases and small business loan originations. These products were analyzed under seven performance criteria: Lending Activity, Geographic Distribution, Borrower Characteristics, Community Development Lending, Innovative or Flexible Lending, Loss of Affordable Housing, and Fair Lending Practices.

In addition, Greenfield Savings Bank's performance under both the Investment and Service Tests were reviewed.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

GREENFIELD SAVINGS BANK

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **OCTOBER 18, 2000**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

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A majority of the Board of Directors/Trustees

Dated at _____ this _____ day of _____ 20 ____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that assessment area shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.